

EXHIBIT 3

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

The Louisiana Department of Health and Hospitals (DHH) and the plaintiff propose to settle a class action case, *Wells v. Kliebert, Secretary of the Louisiana DHH, and DHH*, Middle District of Louisiana, Civil Action 3:14-cv 00155. The case does not seek any money payments except attorney fees.

Does this notice apply to you?

This settlement applies to all persons who are eligible to receive Medicaid-funded services (except persons under the age of 21 who are on the waiting list for the New Opportunities Waiver), who are denied prior approval of services while the Court has jurisdiction.

What is this lawsuit about?

The case is about the notices sent to Medicaid recipients when “prior approval” of services is denied or partially denied. These denials may come from DHH, “Bayou Health” plans, or Magellan (which manages behavioral health services), or any other contractors with DHH. The settlement would be in place for 5 years, and says what notices have to contain and that they have to be in plain language.

What are the key terms of the Settlement Agreement?

The suit claimed that many notices did not explain clearly why the services were denied and were not understandable. It will require that notices give clear reasons for a denial or partial denial. The notices will be in plain language, with enough detail to tell what other information would help to get an approval. The notice will also tell how many hours or amounts of the item or service are approved and denied and help the person on Medicaid to understand why the agency has decided to deny the request. Some types of services and items covered by Medicaid are not included.

The settlement would be in place for 5 years.

Are fees for the plaintiff’s attorneys included in the Settlement?

Under the governing law, DHH is required to pay the attorneys who brought the suit for time spent on the case. The settlement says that the attorneys will present these claims to DHH if the settlement is approved by the Court. If the parties are unable to agree, the Court will set the amount of the fees.

How can I get more information?

A copy of the complete settlement, and a more detailed summary, can be found at <http://www.advocacyla.org>, or if you cannot obtain it over the internet, by calling toll-free at 1-800-960-7705.

What can you do next?

1. If you agree with the Settlement Agreement, you do not have to do anything.

2. If you disagree with any part of the Settlement Agreement and you want to tell the judge, you have to do these things:

- You must write a letter to the judge. Include your name, address, phone number, and signature in the letter. On the first page of the letter write in large or underlined letters: "Civil Action No. 10-635: Objections to Settlement Agreement in *Wells v. Kliebert*." Mail your letter to:

Judge James J. Brady
U.S. District Court
777 Florida Street
Baton Rouge LA 70801

- You must also mail, email, or fax copies of your letters to the lawyers for the plaintiffs and defendants at the following addresses:

Ellen Katz
Advocacy Center
8325 Oak Street
New Orleans, LA 70118
Fax (504) 522-5507
ekatz@advocacyla.org

Kimberly Sullivan
Louisiana Department of Health and Hospitals
P.O. Box 3836
Baton Rouge, LA 70821-3836
Fax (225) 342-2232
Kimberly.Sullivan@la.gov

3. You must send your letter before October 20, 2014.

When and where will the judge decide whether to approve the Settlement Agreement?

Courtroom One
U.S. District Court
777 Florida Street
Baton Rouge LA 70801

Date: October 23, 2014
Time: 10:30 a.m.